

3 May 2024

Section 708AA(2)(f) Cleansing Notice Non-Renounceable Entitlement Offer

Boab Metals Limited (ASX:BML) (Company) has announced today a capital raising of approximately \$5.0 million through:

- (a) a fully underwritten non-renounceable entitlement offer to raise up to approximately \$3.3 million (before costs) (**Entitlement Offer**); and
- (b) a placement to sophisticated and professional investors to raise up to approximately \$1.7 million (before costs) (**Placement**).

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 5.6 existing shares in the Company held as at 5:00pm (AWST) on 8 May 2024 (**Record Date**) at an issue price of \$0.10 per New Share (**Entitlement**).

Further details of the Entitlement Offer are set out in the offer booklet to be released on the Company's ASX market announcements platform on 13 May 2024 (**Offer Booklet**).

The Placement and Entitlement Offer are managed by Morgans Corporate Limited and Unified Capital Partners Pty Ltd (**JLMs**). The Entitlement Offer is fully underwritten by the JLMs. Refer to the ASX announcement released today for a summary of the material terms and conditions of the underwriting, including the potential termination events.

Notice under section 708AA(2)(f) of the Corporations Act

In respect of the Entitlement Offer, the Company advises:

- (a) The New Shares will be offered without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**).
- (b) This notice is being given under section 708AA(2)(f) of the Corporations Act as modified by ASIC.
- (c) As at the date of this notice, the Company has complied with:
 - i. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - ii. sections 674 and 674A of the Corporations Act;
- (d) As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act.
- (e) The potential effect that the issue of the New Shares will have on the control of the Company, and the consequences of that effect, is set out below.

- i. Given the structure of the Entitlement Offer as a pro-rata offer, if all eligible shareholders of the Company take up their Entitlements, the ownership interest (and voting power) in the Company of each eligible shareholder of the Company will remain largely unchanged and the effect on the control of the Company will be negligible. However, the Company will also undertake the Placement to raise gross proceeds of approximately \$1.7 million. New fully paid ordinary shares in the Company issued under the Placement will represent approximately 7.36% of the fully paid ordinary shares on issue in the Company following completion of both the Placement and the Entitlement Offer.¹ Accordingly, existing shareholders of the Company will be diluted because of the Placement, even if they take up their Entitlements under the Entitlement Offer (but subject to any subscription for New Shares under the Top-Up Offer). The board of directors of the Company does not consider that the Placement will have any material impact on the control of the Company.
- ii. To the extent that any eligible shareholder of the Company fails to take up their Entitlement in full, the percentage holding in the Company of that eligible shareholder of the Company will be diluted by those other eligible shareholders of the Company who take up some, all or more than their Entitlements and as a result of the Placement. If no eligible shareholders of the Company take up their Entitlements (which the board of directors of the Company considers unlikely), then the JLMs will be required to subscribe, or procure subscriptions from others, for the shortfall shares under the Entitlement Offer (subject to the terms of the underwriting agreement). In these circumstances, the maximum theoretical increase in voting power of the JLMs will be approximately 14%.²
- iii. The voting power in the Company of ineligible foreign shareholders of the Company will be diluted as a result of the Entitlement Offer and the Placement.

Authorised for release by the Board.

Yours faithfully

Jerry Monzu
Company Secretary

¹ The shares issued under the Placement will not be issued before the Record Date, and as such will not be eligible to participate in the Entitlement Offer.

² Having regard to the anticipated number of shares in the Company on issue following completion of the Entitlement Offer, and subject to rounding.